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May 10, 1999

Hon. Bill Lockyer
Attorney General
1300 I Street, 17th Floor
Sacramento, California 95814

Attention: Ms. Connie Lemus
Initiative Coordinator

Dear Attorney General Lockyer:

Pursuant to Elections Code Section 9005, we have reviewed the proposed initiative cited as the "Let the Voters Decide Act of 2000" (File No. SA 1999 RF 0012). This measure would amend the California Constitution to change (1) the method by which the compensation for state-elected officials is determined and (2) the way in which the boundaries of districts for the State Senate and Assembly, Board of Equalization, and U.S. House of Representatives from California are determined. The specific provisions are discussed below.

Compensation for State-elected Officials. Currently, the California Citizens Compensation Commission establishes the salaries and benefits for Members of the Legislature and other state-elected officials, such as the Governor, the Attorney General, and members of the State Board of Equalization.

Currently, the salary for a Member of the Legislature is \$99,000 annually, and the commission recently announced its decision to raise the salaries of the six leaders of the Legislature effective in December 1999. This measure would reduce the annual salaries for all Members to \$75,000.

The measure would also specify that the commission may only *recommend* adjustments to the salaries for Members of the Legislature and other state-elected officials in the future. Adjustments would not become effective until approved in statute by the Legislature and approved by the voters in the next regular election.

In addition, the measure would reduce reimbursements that Members of the Legislature receive for travel and living expenses in connection with their official duties, and would limit the number of days that they can receive such reimbursements.

Finally, the measure provides that in any year in which the annual budget bill is not passed by the Legislature by June 15, each Member of the Legislature would forfeit his or her salary and travel and living expense reimbursements from June 15 until the day that the budget bill is presented to the Governor.

District Boundaries. Currently, the California Constitution requires the Legislature to adjust the boundaries of districts for the State Senate and Assembly, Board of Equalization, and U.S. House of Representatives for California in the year following the national census. This measure would transfer that authority to the California Supreme Court. The measure specifies that the Supreme Court may appoint "Special Masters" made up of retired federal and state judges to hold public hearings to permit the presentation of evidence and argument with respect to proposed district plans. The plans adopted by the Supreme Court would have to be approved by the voters at the next regular election. The measure provides that the plans shall be used for all elections unless and until rejected by the voters.

Fiscal Effect

The provisions of the measure that reduce the salaries and living expense payments to Members of the Legislature would result in annual savings of at least several millions of dollars, probably in the range of about \$5 million. The provisions that require voter approval for future adjustments to the salaries of state officials and require the Legislature to forfeit salaries in the event that the annual budget bill is not enacted by June 15 could potentially result in unknown, but not major, annual savings.

Presumably, the costs for establishing district boundaries for the Legislature, Board of Equalization, and U.S. House of Representatives from California, would be incurred only once every decade following the decennial census. The measure could result in net costs or savings depending on the costs to the Supreme Court to establish the boundaries versus the costs to the Legislature under the current requirements. The net fiscal effect is unknown, but probably not significant.

The measure could also result in additional costs to the state and counties to place on the ballot any future proposed salary adjustments for state officials and the changes in the district boundaries. These additional costs are unknown, but would probably not be significant.

Summary. The measure could result in annual savings to the state of several million dollars and unknown potential costs in the future. The net fiscal impact is unknown, but probably not significant in the context of the overall state budget.

Sincerely,

Elizabeth G. Hill
Legislative Analyst

B. Timothy Gage
Director of Finance